

CITY OF DETROIT
MAYOR'S OFFICE



COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1126
DETROIT, MICHIGAN 48226
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WWW.DETROITMI.GOV

September 12, 2012

Detroit City Council
2 Woodward Avenue – Suite 1340
Detroit, MI 48226

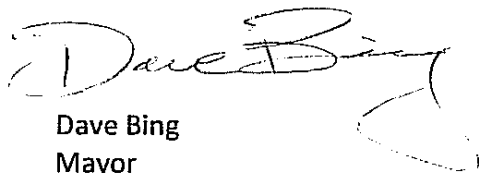
RE: Lease of Belle Isle Park between the City of Detroit and the State of Michigan

Dear President Pugh and Honorable Council Members:

Enclosed for your consideration is an agreement on the lease of Belle Isle Park that has been reached by Governor Rick Snyder and myself.

We would respectfully request that your Honorable Body consider scheduling a Committee of the Whole meeting to discuss the details of this agreement, and its formal adoption.

Respectfully,



Dave Bing
Mayor

Attachment

cc: City Clerk

2012 SEP 12 P 3:41

DETROIT
CITY CLERK

DAVE BING, MAYOR

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit faces severe fiscal challenges and competing priorities that limit the resources available to support its management, operation, and maintenance of Belle Isle Park; and

WHEREAS, the City of Detroit and the State of Michigan have worked cooperatively to craft a lease agreement ("Lease") for the State to manage, operate and maintain Belle Isle; and

WHEREAS, a copy of the Lease of Belle Isle between the State of Michigan and the City of Detroit is attached hereto; and

WHEREAS, the Detroit City Council has reviewed and debated the merits of the attached Lease of Belle Isle during sessions of the Body; and

NOW, THEREFORE, BE IT RESOLVED, that the Detroit City Council authorizes approval of the attached Lease of Belle Isle by and between the State of Michigan and the City of Detroit.

LEASE

between

THE CITY OF DETROIT, as Lessor

and

THE STATE OF MICHIGAN, as Lessee

(Belle Isle Park)

This Lease (Lease) is entered into as of the _____ day of _____, 2012, by the **City of Detroit** (Lessor), a municipal corporation by its Recreation Department, whose address is 18100 Meyers, Detroit, MI 48235, and the **State of Michigan** (Lessee) by its Department of Natural Resources (DNR), whose address is Stevens T. Mason Building, P.O. Box 30257, Lansing, Michigan 48909, and its Department of Transportation (MDOT), whose address is 425 W. Ottawa St. P.O. Box 30050, Lansing, MI 48909 (together, the "Parties").

WITNESSETH:

WHEREAS, the Lessor is the owner of certain land and improvements located on Belle Isle in the City of Detroit that it operates as Belle Isle Park for the benefit of the public;

WHEREAS, the Lessor faces severe fiscal challenges and competing priorities that limit the resources available to support its management, operation, and maintenance of Belle Isle Park;

WHEREAS, Lessee manages, operates, and maintains a system of State parks pursuant to MCL 324.740101 *et seq.*, and is responsible for developing and maintaining a comprehensive plan for the development of outdoor recreation resources of the state pursuant to MCL 324.70301 *et seq.*;

WHEREAS, the Michigan Department of Transportation will acquire jurisdiction of certain roads and bridges pursuant to MCL 247.660a as set forth in this Lease; and

WHEREAS, the Parties enter this Lease effective September ____, 2012, (Effective Date) pursuant to which the Lessee assumes responsibility for the management, operation, and maintenance of the Park.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, agreements, and undertakings contained herein, the Parties agree as follows:

1. LEASE PURPOSE

The purpose of this Lease is to continue and enhance the management, operation, and maintenance of the Park for the benefit of the public. The City hereby makes a grant of this Lease to the State and the State accepts the grant of this Lease, to manage and operate the Park as a State park, under authority of the Natural Resources and Environmental and Protection Act, 1994 PA 452, MCL 324.70301 and 324.74103. The City is transferring and MDOT is accepting jurisdiction of certain roads and bridges at the Park under the authority of MCL 247.660a.

2. GENERAL REQUIREMENTS

2.1 Leased Premises. The Lessor hereby leases to the Lessee, and the Lessee leases from the Lessor, the land described in attached Exhibit A, excluding the roads and bridges identified in Exhibit B and the greenhouses identified in Exhibit D. (Leased Premises).

2.1.1 DNR. The land and waterways in the Park, excluding the roads and bridges identified in Exhibit B and the greenhouses identified in Exhibit D will be under the authority of DNR.

2.1.2 MDOT. The roads and bridges identified in attached Exhibit B (that are eligible for funding under 1951 PA 51, MCL 247.651 *et seq.* [Act 51]) are transferred from the Lessor to MDOT pursuant to MCL 247.660a in the Memorandum of Understanding attached as Exhibit C. Those roads and bridges shall be under the jurisdiction of MDOT for a period of time not to exceed the term of this Lease. Upon expiration of this Lease, jurisdiction of the roads and bridges identified in attached Exhibit B shall be transferred from MDOT to Lessor.

2.1.3 Lessor. Lessor retains authority over the greenhouses identified in Exhibit D. Lessor is responsible for all operations, including utilities, maintenance and capital costs associated with the greenhouses as set forth in the Memorandum of Understanding attached as Exhibit D.

2.2 Rent Consideration. The Parties acknowledge that the value of the management, operation and maintenance services (Lessee Services) provided by the Lessee during any term of this Lease is fair and adequate consideration for this Lease. Lessee will not pay monetary consideration during the term of this Lease or any extension.

2.3 Operation as a State Park. During any term of this Lease, Lessee will operate, manage, and repair (collectively "Manage" or "Management") the Park, as a State park for the benefit of the public. It is the goal of Lessee to maintain the Park during the Lease term in a manner that is consistent with other State park operations. Lessee, however, shall not be responsible for the maintenance and repair of any utility systems in the Park. Lessee will manage the Park with its own staff, contractors, and other State agencies as Lessee determines appropriate. Further, Lessee is not obligated to assume any liability under, or to continue any of Lessor's contracts with individuals or private entities for Management of the Park. Lessee is not obligated to employ anyone employed by Lessor.

2.3.1 Roads and Bridges. For any period of time that this Lease and the Memorandum of Understanding are in effect, MDOT will maintain the roads and bridges identified in Exhibit B. MDOT is not obligated to assume any liability under, or to continue any of Lessor's contracts related to any of the roads or bridges. MDOT is not obligated to employ anyone employed by Lessor.

2.3.2 Funding for Roads and Bridges. For any period of time that the roads and bridges identified in Exhibit B are under MDOT's jurisdiction, MDOT will develop an asset management plan outlining short and long term strategies to maintain the roads and bridges in an acceptable condition. MDOT will use Michigan transportation funds the City would have received under Act 51 for roads and bridges identified in Exhibit B as if jurisdiction had not been transferred to MDOT to maintain those roads and bridges.

2.4 DNR Rules and Orders. During the term and any extensions of this Lease, the use of the Leased Premises will be subject to the DNR State park laws, rules, regulations, the Director's land use orders and any other State law applicable to State park management. Additionally, Lessee may adopt the Lessor's rules and regulations that protect the natural resources and health and safety of the public.

2.5 Recreation Passports. The Lessee will institute the State's Recreation Passport access program requirements for vehicles as set forth in MCL 257.805; MCL 324.2001; MCL 324.74115; MCL 324.74116; MCL 324.74117; MCL 324.74120, and other applicable laws. The Recreation Passport fee requirements are waived for the Park until March 31, 2013, pursuant to MCL 324.74116(4)(c).

2.6 Park Revenue. During any term of this Lease, Lessee will collect, receive, and administer, subject to applicable law, all revenue generated or earned from Lessee's Management of the Park, including but not limited to revenue generated or earned from: grants; endowments; special events; private lease revenue; concessions; vendors and other contractors; revenue licenses; permit revenue; fees collected; and revenue generated or earned from sponsorships, advertising, and cooperative ventures (collectively "Park Revenue"). Park Revenue does not include Recreation Passport Revenue. Lessee may only use Park Revenue to Manage and improve the Park as set forth in this Lease, including expenditures for promotion and marketing of Park events and programs, and for any incurred legal expenses arising out of Lessee's fulfillment of its obligations under this Lease.

2.7 Park Sub-Account. Lessee will establish a sub-account in the Department of Natural Resources State Park improvement account (Sub-Account) to administer Park Revenue referenced in paragraph 2.7.

2.8 Revenue Paid to Lessor. Lessor must remit to Lessee, for deposit in the Sub-Account, any payments paid to Lessor for events that occur at the Park after the Effective Date of the Lease, including payments Lessor has already received. Lessor must also remit to Lessee, for deposit in the Sub-Account any Park Revenue paid to Lessor after the end of the Transition Period.

2.9 Accounting and Audits. Lessee will provide Lessor an annual accounting of the Park Revenue. Lessor has the right to review and audit the Lessee's records related to Park Revenue annually.

2.10 Law Enforcement, Fire Protection, and EMS Services (Public Safety). Lessor and Lessee will cooperate, based on a security plan, to provide Public Safety services, for the benefit of visitors, volunteers, and employees in the Park, during the term of this Lease and any extensions. Lessor and Lessee agree to jointly complete a security plan during the Transition Period that will designate roles for each entity and provide for shared jurisdiction to enforce all laws, including local ordinances, within the Park.

2.11 Reports. Lessee will provide annual reports concerning Lessee's Management of the Park to the Mayor of the City of Detroit and Detroit City Council.

2.12 Advisory Committee. The Parties will create an advisory committee to advise the Parties on implementation of improvements and master planning for the Park. The advisory committee will consist of five (5) members appointed by the Governor; three (3) members appointed by the Mayor of the City of Detroit; two (2) members appointed by City Council; and one (1) member, who shall also chair the committee, jointly appointed by the Governor and the Mayor.

2.13 Non-Profit Entities. Lessee and Lessor will work cooperatively with the Belle Isle Conservancy or its successor.

2.14 Title to Leased Premises. Before expiration of the Transition Period, Lessor must furnish to Lessee a legible copy of the recorded instruments evidencing title in the Lessor to the Leased Premises, and copies of all other recorded and unrecorded documents limiting or restricting the use of, or affecting title, to the Leased Premises. Lessee accepts the Leased Premises subject to easements, encumbrances, and restrictions of record.

3. TRANSITION RESPONSIBILITIES

3.1 Transition Period. This Lease includes a ninety (90) calendar day transition period commencing on the Effective Date of this Lease (Transition Period). During the Transition Period, the Parties will work cooperatively to facilitate the transfer of the Management of the Park from the Lessor to the Lessee.

3.2 Assignments. Within thirty (30) Business Days of the Effective Date of this Lease, Lessor will take all actions needed to effectuate assignment to Lessee its interests in the following, subject to Lessee's acceptance:

3.2.1 Grants and Endowments. Within thirty (30) Business Days of the Effective Date of this Lease, Lessor must provide to Lessee copies of the grant and endowment agreements and all documents Lessor identifies as having grant or endowment imposed restrictions and conditions. A list of those agreements will be added to this Lease as an exhibit at a later date. Lessee acknowledges that some or all portions of the Park may be subject to restrictions and conditions imposed by sources of grant funds and endowments used to acquire or make improvements to the Park, and that this Lease is subject to those restrictions and conditions. Before expiration of the Transition Period, Lessor will transfer to the Lessee all unexpended grant and endowment funds for deposit in the Park's Sub-Account.

3.2.2 Leases, Licenses, Permits, and other Agreements between Lessor and Third Parties (Third Party Agreements). Within thirty (30) Business Days of the Effective Date of this Lease, Lessor must provide Lessee with copies of all Third Party Agreements relating to the use or occupancy of the Park. Lessee will review the Third Party Agreements and, before expiration of the Transition Period, provide the Lessor with a list of the Third Party Agreements Lessee will assume. Lessor will promptly take all actions needed to effectuate the assignment of the Third Party Agreements to the Lessee.

3.2.3 Vendor Contracts. Within thirty (30) Business Days of the Effective Date of this Lease, Lessor must provide Lessee with copies of all contracts that Lessor has entered for goods or for maintenance or other operational services for the Park (Vendor Contracts). Lessee will review the Vendor Contracts and, before expiration of the Transition Period, provide the Lessor with a list of the Vendor Contracts Lessee decides to continue. Lessee is not obligated to assume any Vendor Contracts.

3.2.4 Personal Property. Within Ninety (90) calendar days of the Effective Date of this Lease, Lessor must provide Lessee with an inventory of personal property that will remain at the Park for its operation and maintenance to which the City may transfer title to Lessee without necessitating a vote of the people. Lessee will review the inventory and, before expiration of the Transition Period, provide the Lessor with a list of the inventory Lessee decides to keep. Lessor must facilitate transfer of title to personal property to the Lessee. Lessor must remove from the Park personal property not transferred to Lessee within ninety (90) calendar days after expiration of the Transition Period.

3.3 Environmental Condition. Within thirty (30) calendar days of the Effective Date of this Lease, Lessor must provide Lessee with copies of all of its records regarding the Park's environmental condition, including but not limited to: any environmental assessments or investigations, locations of any off-site fill placements, location of above and below ground tanks, any Due Care plans obligations and requirements, any information on releases of hazardous substances and any response activities taken or planned.

3.4 Lessor's Park Staff. Lessor will maintain and pay all expenses for its Park staff during the Transition Period and assign staff to work with Lessee in all manners necessary to facilitate Lessee's assumption of its obligations under this Lease.

4. **TERM, OPTIONS TO TERMINATE, QUIET ENJOYMENT, AND SURRENDER OF POSSESSION**

4.1 **Term.** The term of this Lease is thirty (30) years from this Lease's Effective Date. The Lease shall be extended, under the same terms and conditions, for a second thirty (30) year term unless the Lessee provides written notice to the Lessor of the Lessee's intent not to extend the term at least one (1) year before the initial term expires or the Lessor provides written notice to the Lessee of Lessor's intent not to extend the term at least one (1) year before the initial term expires. The Lease shall be further extended, under the same terms and conditions for a third thirty (30) year term unless the Lessee provides written notice to the Lessor of the Lessee's intent not to extend the term at least one (1) year before the second term expires.

4.2 **Grant Obligations.** From and after the termination of this Lease pursuant to paragraph 4.1, the Lessor shall operate and maintain the Leased Premises in accordance with the same long term grant obligations and encumbrances imposed under the term of any of the grants obtained by the Lessee to construct the improvements on the Leased Premises. Such grant obligations may extend past the expiration or termination of this Lease.

4.3 **Lessee Termination.** This Lease may be terminated by the Lessee after eighteen (18) months prior written notice to Lessor. Such notice must give both the proposed date of termination and identify those obstacles to continuation of the Lessee's obligations that prompted such notice. At any time between receipt of a notice of an intent to terminate from the Lessee until one (1) month prior to the termination date, the Lessor may call for up to three negotiating sessions where the parties shall work in good faith to resolve any obstacles to the continuing of this Lease for its current Term. The Director of the Department of Natural Resources shall attend such sessions in person.

4.4 **Lessor's Option to Terminate for Cause.** In the event the Lessee materially breaches this Lease, the Lessor must provide Lessee notice of the breach and must provide a thirty (30) Business Day period to cure. If Lessee fails to timely cure, Lessor may, at its option terminate this Lease, and the Lessee will surrender possession of the Leased Premises including all improvements within ninety (90) Business Days of notice of termination.

4.5 **Quiet Enjoyment.** The Lessee, upon performance of its obligations specified in this Lease, will peacefully and quietly have, hold, and enjoy the Leased Premises for the term of this Lease and any extensions.

4.6 **Surrender of Possession and Park Revenue.** Upon the termination or expiration of this Lease or any extension, the Lessee will promptly and peacefully yield, surrender, and deliver the Leased Premises to the Lessor. Lessee will also transfer any unexpended balance of Park Revenue then in the Sub-Account, to the Lessor.

5. CONDITION OF THE LEASED PREMISES

5.1 No Representations. The Lessee acknowledges that the Lessor has made no representations, express or implied, as to the condition of the Leased Premises, including but not limited to the state of repair, or any other representations not contained in this Lease. The Lessee at its sole cost may but is not obligated to perform a baseline environmental assessment in accordance with Part 201 of the Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended.

5.2 Hazardous Substances after Transition Period. The Lessee covenants that in the event a release or the threat of a release of a hazardous substance by the Lessee occurs on, in or under the Leased Premises after the Transition Period, the Lessee will report, investigate and take response activity consistent with Federal, State and local laws and regulations including, without limitation, Part 201 of the Natural Resources and Environmental Act (NREPA), MCL 324.20101, *et seq.*

5.3 Entry by Lessor. The Lessor or Lessor's agent may enter restricted areas of the Leased Premises with forty-eight (48) hours advance notice to the Lessee except for immediate access needed due to emergency situations, in which event, notice must be given as soon as possible.

6. PARK MANAGEMENT

6.1 Park Maintenance and Repair. Lessee will maintain and repair the Park including the MacArthur Bridge, other bridges, roads, walkways, and waterways, as provided in paragraph 2.3. Lessee is not obligated to assume any liability under, or to continue any of Lessor's contracts with individuals, or private entities for maintenance or repair of the Park.

6.2 Park Improvements and Alterations. It is Lessee's intent to make improvements and alterations, to the Park consistent with the phased management approach set forth in Exhibit E, State park operations, and existing restrictions, including restrictions in grant agreements, historic designations, donation encumbrances, or other agreements. Upon the termination of this Lease, unless otherwise agreed to in writing by the Parties, all improvements and alterations will remain on the Leased Premises, and will become the property of the Lessor. Lessor acknowledges that some or all Park improvements may be subject to restrictions and conditions imposed by sources of grant funds and endowments used to acquire or make the Park improvements, and that Lessor must accept Park improvements subject to those restrictions and conditions.

6.3 Leases. Lessee has exclusive authority over all aspects of current and future Park leases, including the leases Lessor assigns or transfers to Lessee pursuant to this Lease, subleases for land, and subleases for water access on or to the Park. Lessee's authority includes the authority to enter into leases, terminate, modify, assign, and administer leases. Lessor agrees to take all actions required to assign or transfer such leases to Lessee in accordance with this paragraph 6.3.

6.4 Contracts, Licenses, and Permits. Lessee has the exclusive rights to enter into contracts, and issue licenses and permits for the Park.

6.4.1 Special Events. Special events that are under existing agreements for 2012 and beyond will continue as planned; however, Lessee will collect and receive any fees or other revenue generated from any event that occurs after the Effective Date of this Lease.

6.5 Utilities. After the Transition Period, Lessee will pay 100% of all use charges for public utilities services consumed in the Park, including but not limited to heating, cooling, illumination, power, water, sewer, and telecommunications (if any), restricted to the Lessee's Management and improvement of the Park, that are incurred after the Transition Period. Additionally, Lessee will pay for those utility infrastructure improvements or maintenance charges that are necessitated by Lessee's improvement of the Park pursuant to this Lease that are incurred after the Transition Period.

7. ASSIGNMENT AND SUBLETTING

7.1 Except as provided in paragraph 7.2 the Lessee must not assign this Lease or any rights hereunder, nor sublet the Leased Premises, or any part thereof, nor use, nor permit it to be used for any purposes inconsistent with this Lease without the prior written consent of the Lessor, which shall not be unreasonably withheld.

7.2 Lessee may enter into other agreements, including but not limited to subleases, licenses, permits, and contracts for any part of the Leased Premises for recreation related purposes consistent with paragraph 2.3.

8. NOTICES

Any notice which either Party may or is required to give under this Lease must be in writing and sent by USPS, postage prepaid, by first class mail, addressed as follows:

a) Notice to the Lessee:

Chief, Parks and Recreation Division
Michigan Department of Natural Resources
Stevens T. Mason Building
P.O. Box 30257
Lansing, MI 48909-7757

Director, Michigan Department of Transportation
425 W. Ottawa St. P.O.
Box 30050
Lansing, MI 48909

b) Notice to the Lessor:

Detroit Recreation Department
Attn: Department Director
18100 Meyers
Detroit, MI 48235

9. GENERAL PROVISIONS

9.1 Waiver. One or more waivers of the breach of any covenant or condition under this Lease, or failure by either party to give notice thereof, must not be construed as a waiver of a further breach of the same covenant or condition.

9.2 Representations. No agreement will be binding upon the Parties unless made in writing and signed by them. No representation except those written in this Lease, or any collateral agreement to the Lease will be binding upon the Parties unless they are in writing and approved by the Parties according to the amendment procedure in this Lease.

9.3 Remedies Not Exclusive. It is agreed that each of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other rights, remedies and benefits contained in this Lease, or of any other rights, remedies and benefits allowed by law.

9.4 Successors and Assigns. The covenants, conditions and agreements made and entered into by the Parties inure to the benefit of and are binding upon their respective successors, representatives and permitted assigns.

9.5 Statutory Requirements.

9.5.1 Both the Lessor and the Lessee will comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenant that they shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Lease, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of these requirements is a material breach of the Lease.

9.5.2 Unfair Labor Practices. The State may void this Lease, if the Lessor, or any of its contractors, subcontractors, manufacturers or suppliers appear in the register compiled pursuant to 1980 PA 278, as amended, MCL 423.321 *et seq.* (Employers Engaging in Unfair Labor Practices Act).

9.6 Business Day. Business day means any day other than a Saturday, Sunday, or State-recognized legal holiday from 8:00am through 5:00pm EST.

9.7 Appropriation of Funds. DNR's and MDOT's performance of obligations under this Lease is subject to the availability of appropriated funds.

9.8 Entire Agreement, Severability, and Required Approvals. All terms and conditions of this Lease are as set forth in this Lease. This Lease, with all enclosures and attachments, as listed below, constitutes the entire agreement of the Parties with regard to this transaction. Should any provision of this Lease or any addendum thereto be found to be illegal or otherwise unenforceable by a court of competent jurisdiction, such provision must be severed from the remainder of the Lease and all other terms and conditions of this Lease will continue in full force and effect. This Lease is not valid or authorized until approved by the Mayor of the City of Detroit, the Detroit City Council, and the Lessee.

9.9 Amendments. No amendment or extension of this Lease shall be effective and binding on the Parties unless it expressly makes reference to this Lease, is in writing and is signed and acknowledged by the duly authorized representatives of the Lessor and the Lessee, and approved by the Mayor of the City of Detroit and the Detroit City Council.

9.10 Memorandum of Lease. Upon final execution of this Lease, Lessee will record a Memorandum of Lease with the Wayne County Register of Deeds.

9.11 Governing Law. This Lease shall be interpreted in accordance with the laws of the State of Michigan.

9.12 Effective Date. This Lease is effective on the date it is approved by the Detroit City Council.

9.13 Counterparts. This Lease may be executed in any number of counterparts each of which shall be deemed an original agreement, but all of which together shall constitute but one Lease. Copies (whether facsimile, photostatic or otherwise) of signatures to this Lease will be deemed to be originals and may be relied on to the same extent as the originals.

9.14 List of Exhibits. The following Exhibits are attached to and made a part of this Lease:

- Exhibit A Legal Description
- Exhibit B Identification of Roads and Bridges
- Exhibit C Memorandum of Understanding between the City and MDOT
- Exhibit D Memorandum of Understanding between the City and DNR Regarding the Belle Isle Greenhouses
- Exhibit E Phased Management Approach of Belle Isle dated July 2012

IN WITNESS WHEREOF, the Lessor and the Lessee, by and through their duly authorized representatives, have executed this Lease as of the dates of their respective signatures:

SIGNATURE PAGES FOLLOW

THIS LEASE WAS CO-DRAFTED BY THE PARTIES.

LESSOR:

CITY OF DETROIT
by its Recreation Department

Witness:

1st Witness:
Print name of witness

Print name:
Title:

2nd Witness
Print name of witness

THIS CONTRACT WAS APPROVED
BY THE CITY COUNCIL ON

APPROVED BY THE LAW
DEPARTMENT PURSUANT TO § 6-406
OF THE CHAPTER OF THE CITY OF
DETROIT

Date

Purchasing Director Date

Corporation Counsel Date

THIS CONTRACT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY
RESOLUTION OF THE CITY COUNCIL AND SIGNED BY THE PURCHASING
DIRECTOR.

State of Michigan, County of Wayne

The foregoing instrument was acknowledged before me this ____ day of September, 2012, by

_____, the _____,
Typed or printed name(s) of person(s) signing this document

for the _____ of the City of Detroit, a Michigan

Municipal Corporation. _____, Notary Public in the County
of _____, Acting in the County of _____, State of Michigan.

My commission expires: _____.

LESSEE:

STATE OF MICHIGAN
Department of Natural Resources

Witnesses:

1st Witness:
Print name of witness

Print Name:
Title:

2nd Witness:
Print name of witness:

State of Michigan, County of Ingham

The foregoing instrument was acknowledged before me this ____ day of September, 2012, by

_____, the Notary for the State of
Typed or printed name(s) of person(s) signing this document

Michigan Department of _____, Notary Public in the County
of _____, Acting in the County of _____, State of Michigan.

My commission expires: _____.

LESSEE:

STATE OF MICHIGAN
Department of Transportation

Witnesses:

1st Witness:
Print name of witness

Print Name:
Title:

2nd Witness:
Print name of witness:

State of Michigan, County of Ingham

The foregoing instrument was acknowledged before me this ____ day of September, 2012, by

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Typed or printed name(s) of person(s) signing this document

Michigan Department of _____, Notary Public in the County
of _____, Acting in the County of _____, State of Michigan.

My commission expires: _____.

EXHIBIT A

LEGAL DESCRIPTION OF BELLE ISLE PARK

Land lying in the Detroit River, City of Detroit, County of Wayne, State of Michigan, also being land in Town 2 South, Ranges 12 and 13 East and being more particularly described as follows: land, more or less, within the U. S. Line of Permissible Fill as defined by the Corps of Engineers on October 24, 1946, and beginning at a point Northerly of the Detroit Boat Club in the Detroit River, said point being distant South $30^{\circ} 00' 00''$ East, 2061.94 feet, across the Belle Isle Bridge, and North $54^{\circ} 32' 13.6''$ East, 1427.66 feet from Harbor Line Point VII at the Intersection of the U. S. Harbor Line and the centerline of East Grand Boulevard (150 feet wide) as extended Southeasterly; thence North $72^{\circ} 50' 50.3''$ East, 3070.03 feet; thence North $46^{\circ} 03' 58.8''$ East, 3409.01 feet; thence North $78^{\circ} 46' 26.7''$ East, 822.44 feet; thence South $79^{\circ} 16' 08.7''$ East, 4246.47 feet; thence South $25^{\circ} 01' 36.9''$ East, 950.00 feet; thence South $37^{\circ} 22' 19.0''$ West, 3360.98 feet; thence South $74^{\circ} 31' 39.1''$ West, 4383.69 feet; thence South $69^{\circ} 51' 49.0''$ West, 3725.86 feet; thence South $88^{\circ} 32' 20.6''$ West, 4479.64 feet; thence North $24^{\circ} 57' 51.7''$ West, 815.87 feet; thence North $54^{\circ} 32' 13.6''$ East, 4685.46 feet to the place of beginning containing 1115.7 acres, more or less, within said line of fill with 819.4 acres, more or less, of said parcel being land and 144.9 acres, more or less, being water area within the land-locked portion of the parcel, exclusive of the Detroit Boat Club and the Detroit Yacht Club.

9/11/12 Version (3) (5:40 p.m.)

LEASE

between

THE CITY OF DETROIT, as Lessor

and

THE STATE OF MICHIGAN, as Lessee

(Belle Isle Park)

This Lease (Lease) is entered into as of the _____ day of _____, 2012, by the **City of Detroit** (Lessor), a municipal corporation by its Recreation Department, whose address is 18100 Meyers, Detroit, MI 48235, and the **State of Michigan** (Lessee) by its Department of Natural Resources (DNR), whose address is Stevens T. Mason Building, P.O. Box 30257, Lansing, Michigan 48909, and its Department of Transportation (MDOT), whose address is 425 W. Ottawa St. P.O. Box 30050, Lansing, MI 48909 (together, the "Parties").

WITNESSETH:

WHEREAS, the Lessor is the owner of certain land and improvements located on Belle Isle in the City of Detroit that it operates as Belle Isle Park for the benefit of the public;

WHEREAS, the Lessor faces severe fiscal challenges and competing priorities that limit the resources available to support its management, operation, and maintenance of Belle Isle Park;

WHEREAS, Lessee manages, operates, and maintains a system of State parks pursuant to MCL 324.740101 *et seq.*, and is responsible for developing and maintaining a comprehensive plan for the development of outdoor recreation resources of the state pursuant to MCL 324.70301 *et seq.*;

WHEREAS, the Michigan Department of Transportation will acquire jurisdiction of certain roads and bridges pursuant to MCL 247.660a as set forth in this Lease; and

WHEREAS, the Parties enter this Lease effective September ____, 2012, (Effective Date) pursuant to which the Lessee assumes responsibility for the management, operation, and maintenance of the Park.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, agreements, and undertakings contained herein, the Parties agree as follows:

1. LEASE PURPOSE

The purpose of this Lease is to continue and enhance the management, operation, and maintenance of the Park for the benefit of the public. The City hereby makes a grant of this Lease to the State and the State accepts the grant of this Lease, to manage and operate the Park as a State park, under authority of the Natural Resources and Environmental and Protection Act, 1994 PA 452, MCL 324.70301 and 324.74103. The City is transferring and MDOT is accepting jurisdiction of certain roads and bridges at the Park under the authority of MCL 247.660a.

2. GENERAL REQUIREMENTS

2.1 Leased Premises. The Lessor hereby leases to the Lessee, and the Lessee leases from the Lessor, the land described in attached Exhibit A, excluding the roads and bridges identified in Exhibit B and the greenhouses identified in Exhibit D. (Leased Premises).

2.1.1 DNR. The land and waterways in the Park, excluding the roads and bridges identified in Exhibit B and the greenhouses identified in Exhibit D will be under the authority of DNR.

2.1.2 MDOT. The roads and bridges identified in attached Exhibit B (that are eligible for funding under 1951 PA 51, MCL 247.651 *et seq.* [Act 51]) are transferred from the Lessor to MDOT pursuant to MCL 247.660a in the Memorandum of Understanding attached as Exhibit C. Those roads and bridges shall be under the jurisdiction of MDOT for a period of time not to exceed the term of this Lease. Upon expiration of this Lease, jurisdiction of the roads and bridges identified in attached Exhibit B shall be transferred from MDOT to Lessor.

2.1.3 Lessor. Lessor retains authority over the greenhouses identified in Exhibit D. Lessor is responsible for all operations, including utilities, maintenance and capital costs associated with the greenhouses as set forth in the Memorandum of Understanding attached as Exhibit D.

2.2 Rent Consideration. The Parties acknowledge that the value of the management, operation and maintenance services (Lessee Services) provided by the Lessee during any term of this Lease is fair and adequate consideration for this Lease. Lessee will not pay monetary consideration during the term of this Lease or any extension.

2.3 Operation as a State Park. During any term of this Lease, Lessee will operate, manage, and repair (collectively "Manage" or "Management") the Park, as a State park for the benefit of the public. It is the goal of Lessee to maintain the Park during the Lease term in a manner that is consistent with other State park operations. Lessee, however, shall not be responsible for the maintenance and repair of any utility systems in the Park. Lessee will manage the Park with its own staff, contractors, and other State agencies as Lessee determines appropriate. Further, Lessee is not obligated to assume any liability under, or to continue any of Lessor's contracts with individuals or private entities for Management of the Park. Lessee is not obligated to employ anyone employed by Lessor.

2.3.1 Roads and Bridges. For any period of time that this Lease and the Memorandum of Understanding are in effect, MDOT will maintain the roads and bridges identified in Exhibit B. MDOT is not obligated to assume any liability under, or to continue any of Lessor's contracts related to any of the roads or bridges. MDOT is not obligated to employ anyone employed by Lessor.

2.3.2 Funding for Roads and Bridges. For any period of time that the roads and bridges identified in Exhibit B are under MDOT's jurisdiction, MDOT will develop an asset management plan outlining short and long term strategies to maintain the roads and bridges in an acceptable condition. MDOT will use Michigan transportation funds the City would have received under Act 51 for roads and bridges identified in Exhibit B as if jurisdiction had not been transferred to MDOT to maintain those roads and bridges.

2.4 DNR Rules and Orders. During the term and any extensions of this Lease, the use of the Leased Premises will be subject to the DNR State park laws, rules, regulations, the Director's land use orders and any other State law applicable to State park management. Additionally, Lessee may adopt the Lessor's rules and regulations that protect the natural resources and health and safety of the public.

2.5 Recreation Passports. The Lessee will institute the State's Recreation Passport access program requirements for vehicles as set forth in MCL 257.805; MCL 324.2001; MCL 324.74115; MCL 324.74116; MCL 324.74117; MCL 324.74120, and other applicable laws. The Recreation Passport fee requirements are waived for the Park until March 31, 2013, pursuant to MCL 324.74116(4)(c).

2.6 Park Revenue. During any term of this Lease, Lessee will collect, receive, and administer, subject to applicable law, all revenue generated or earned from Lessee's Management of the Park, including but not limited to revenue generated or earned from: grants; endowments; special events; private lease revenue; concessions; vendors and other contractors; revenue licenses; permit revenue; fees collected; and revenue generated or earned from sponsorships, advertising, and cooperative ventures (collectively "Park Revenue"). Park Revenue does not include Recreation Passport Revenue. Lessee may only use Park Revenue to Manage and improve the Park as set forth in this Lease, including expenditures for promotion and marketing of Park events and programs, and for any incurred legal expenses arising out of Lessee's fulfillment of its obligations under this Lease.

2.7 Park Sub-Account. Lessee will establish a sub-account in the Department of Natural Resources State Park improvement account (Sub-Account) to administer Park Revenue referenced in paragraph 2.7.

2.8 Revenue Paid to Lessor. Lessor must remit to Lessee, for deposit in the Sub-Account, any payments paid to Lessor for events that occur at the Park after the Effective Date of the Lease, including payments Lessor has already received. Lessor must also remit to Lessee, for deposit in the Sub-Account any Park Revenue paid to Lessor after the end of the Transition Period.

2.9 Accounting and Audits. Lessee will provide Lessor an annual accounting of the Park Revenue. Lessor has the right to review and audit the Lessee's records related to Park Revenue annually.

2.10 Law Enforcement, Fire Protection, and EMS Services (Public Safety). Lessor and Lessee will cooperate, based on a security plan, to provide Public Safety services, for the benefit of visitors, volunteers, and employees in the Park, during the term of this Lease and any extensions. Lessor and Lessee agree to jointly complete a security plan during the Transition Period that will designate roles for each entity and provide for shared jurisdiction to enforce all laws, including local ordinances, within the Park.

2.11 Reports. Lessee will provide annual reports concerning Lessee's Management of the Park to the Mayor of the City of Detroit and Detroit City Council.

2.12 Advisory Committee. The Parties will create an advisory committee to advise the Parties on implementation of improvements and master planning for the Park. The advisory committee will consist of five (5) members appointed by the Governor; three (3) members appointed by the Mayor of the City of Detroit; two (2) members appointed by City Council; and one (1) member, who shall also chair the committee, jointly appointed by the Governor and the Mayor.

2.13 Non-Profit Entities. Lessee and Lessor will work cooperatively with the Belle Isle Conservancy or its successor.

2.14 Title to Leased Premises. Before expiration of the Transition Period, Lessor must furnish to Lessee a legible copy of the recorded instruments evidencing title in the Lessor to the Leased Premises, and copies of all other recorded and unrecorded documents limiting or restricting the use of, or affecting title, to the Leased Premises. Lessee accepts the Leased Premises subject to easements, encumbrances, and restrictions of record.

3. TRANSITION RESPONSIBILITIES

3.1 Transition Period. This Lease includes a ninety (90) calendar day transition period commencing on the Effective Date of this Lease (Transition Period). During the Transition Period, the Parties will work cooperatively to facilitate the transfer of the Management of the Park from the Lessor to the Lessee.

3.2 Assignments. Within thirty (30) Business Days of the Effective Date of this Lease, Lessor will take all actions needed to effectuate assignment to Lessee its interests in the following, subject to Lessee's acceptance:

3.2.1 Grants and Endowments. Within thirty (30) Business Days of the Effective Date of this Lease, Lessor must provide to Lessee copies of the grant and endowment agreements and all documents Lessor identifies as having grant or endowment imposed restrictions and conditions. A list of those agreements will be added to this Lease as an exhibit at a later date.

Lessee acknowledges that some or all portions of the Park may be subject to restrictions and conditions imposed by sources of grant funds and endowments used to acquire or make improvements to the Park, and that this Lease is subject to those restrictions and conditions. Before expiration of the Transition Period, Lessor will transfer to the Lessee all unexpended grant and endowment funds for deposit in the Park's Sub-Account.

3.2.2 Leases, Licenses, Permits, and other Agreements between Lessor and Third Parties (Third Party Agreements). Within thirty (30) Business Days of the Effective Date of this Lease, Lessor must provide Lessee with copies of all Third Party Agreements relating to the use or occupancy of the Park. Lessee will review the Third Party Agreements and, before expiration of the Transition Period, provide the Lessor with a list of the Third Party Agreements Lessee will assume. Lessor will promptly take all actions needed to effectuate the assignment of the Third Party Agreements to the Lessee.

3.2.3 Vendor Contracts. Within thirty (30) Business Days of the Effective Date of this Lease, Lessor must provide Lessee with copies of all contracts that Lessor has entered for goods or for maintenance or other operational services for the Park (Vendor Contracts). Lessee will review the Vendor Contracts and, before expiration of the Transition Period, provide the Lessor with a list of the Vendor Contracts Lessee decides to continue. Lessee is not obligated to assume any Vendor Contracts.

3.2.4 Personal Property. Within Ninety (90) calendar days of the Effective Date of this Lease, Lessor must provide Lessee with an inventory of personal property that will remain at the Park for its operation and maintenance to which the City may transfer title to Lessee without necessitating a vote of the people. Lessee will review the inventory and, before expiration of the Transition Period, provide the Lessor with a list of the inventory Lessee decides to keep. Lessor must facilitate transfer of title to personal property to the Lessee. Lessor must remove from the Park personal property not transferred to Lessee within ninety (90) calendar days after expiration of the Transition Period.

3.3 Environmental Condition. Within thirty (30) calendar days of the Effective Date of this Lease, Lessor must provide Lessee with copies of all of its records regarding the Park's environmental condition, including but not limited to: any environmental assessments or investigations, locations of any off-site fill placements, location of above and below ground tanks, any Due Care plans obligations and requirements; any information on releases of hazardous substances and any response activities taken or planned.

3.4 Lessor's Park Staff. Lessor will maintain and pay all expenses for its Park staff during the Transition Period and assign staff to work with Lessee in all manners necessary to facilitate Lessee's assumption of its obligations under this Lease.

4. TERM, OPTIONS TO TERMINATE, QUIET ENJOYMENT, AND SURRENDER OF POSSESSION

4.1 Term. The term of this Lease is thirty (30) years from this Lease's Effective Date. The Lease shall be extended, under the same terms and conditions, for a second thirty (30) year term unless the Lessee provides written notice to the Lessor of the Lessee's intent not to extend the term at least one (1) year before the initial term expires or the Lessor provides written notice to the Lessee of Lessor's intent not to extend the term at least one (1) year before the initial term expires. The Lease shall be further extended, under the same terms and conditions for a third thirty (30) year term unless the Lessee provides written notice to the Lessor of the Lessee's intent not to extend the term at least one (1) year before the second term expires.

4.2 Grant Obligations. From and after the termination of this Lease pursuant to paragraph 4.1, the Lessor shall operate and maintain the Leased Premises in accordance with the same long term grant obligations and encumbrances imposed under the term of any of the grants obtained by the Lessee to construct the improvements on the Leased Premises. Such grant obligations may extend past the expiration or termination of this Lease.

4.3 Lessee Termination. This Lease may be terminated by the Lessee after eighteen (18) months prior written notice to Lessor. Such notice must give both the proposed date of termination and identify those obstacles to continuation of the Lessee's obligations that prompted such notice. At any time between receipt of a notice of an intent to terminate from the Lessee until one (1) month prior to the termination date, the Lessor may call for up to three negotiating sessions where the parties shall work in good faith to resolve any obstacles to the continuing of this Lease for its current Term. The Director of the Department of Natural Resources shall attend such sessions in person.

4.4 Lessor's Option to Terminate for Cause. In the event the Lessee materially breaches this Lease, the Lessor must provide Lessee notice of the breach and must provide a thirty (30) Business Day period to cure. If Lessee fails to timely cure, Lessor may, at its option terminate this Lease, and the Lessee will surrender possession of the Leased Premises including all improvements within ninety (90) Business Days of notice of termination.

4.5 Quiet Enjoyment. The Lessee, upon performance of its obligations specified in this Lease, will peacefully and quietly have, hold, and enjoy the Leased Premises for the term of this Lease and any extensions.

4.6 Surrender of Possession and Park Revenue. Upon the termination or expiration of this Lease or any extension, the Lessee will promptly and peacefully yield, surrender, and deliver the Leased Premises to the Lessor. Lessee will also transfer any unexpended balance of Park Revenue then in the Sub-Account, to the Lessor.

5. CONDITION OF THE LEASED PREMISES

5.1 No Representations. The Lessee acknowledges that the Lessor has made no representations, express or implied, as to the condition of the Leased Premises, including but not limited to the state of repair, or any other representations not contained in this Lease. The Lessee at its sole cost may but is not obligated to perform a baseline environmental assessment in

accordance with Part 201 of the Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended.

5.2 Hazardous Substances after Transition Period. The Lessee covenants that in the event a release or the threat of a release of a hazardous substance by the Lessee occurs on, in or under the Leased Premises after the Transition Period, the Lessee will report, investigate and take response activity consistent with Federal, State and local laws and regulations including, without limitation, Part 201 of the Natural Resources and Environmental Act (NREPA), MCL 324.20101, *et seq.*

5.3 Entry by Lessor. The Lessor or Lessor's agent may enter restricted areas of the Leased Premises with forty-eight (48) hours advance notice to the Lessee except for immediate access needed due to emergency situations, in which event, notice must be given as soon as possible.

6. PARK MANAGEMENT

6.1 Park Maintenance and Repair. Lessee will maintain and repair the Park including the MacArthur Bridge, other bridges, roads, walkways, and waterways, as provided in paragraph 2.3. Lessee is not obligated to assume any liability under, or to continue any of Lessor's contracts with individuals, or private entities for maintenance or repair of the Park.

6.2 Park Improvements and Alterations. It is Lessee's intent to make improvements and alterations, to the Park consistent with the phased management approach set forth in Exhibit E, State park operations, and existing restrictions, including restrictions in grant agreements, historic designations, donation encumbrances, or other agreements. Upon the termination of this Lease, unless otherwise agreed to in writing by the Parties, all improvements and alterations will remain on the Leased Premises, and will become the property of the Lessor. Lessor acknowledges that some or all Park improvements may be subject to restrictions and conditions imposed by sources of grant funds and endowments used to acquire or make the Park improvements, and that Lessor must accept Park improvements subject to those restrictions and conditions.

6.3 Leases. Lessee has exclusive authority over all aspects of current and future Park leases, including the leases Lessor assigns or transfers to Lessee pursuant to this Lease, subleases for land, and subleases for water access on or to the Park. Lessee's authority includes the authority to enter into leases, terminate, modify, assign, and administer leases. Lessor agrees to take all actions required to assign or transfer such leases to Lessee in accordance with this paragraph 6.3.

6.4 Contracts, Licenses, and Permits. Lessee has the exclusive rights to enter into contracts, and issue licenses and permits for the Park.

6.4.1 Special Events. Special events that are under existing agreements for 2012 and beyond will continue as planned; however, Lessee will collect and receive any fees or other revenue generated from any event that occurs after the Effective Date of this Lease.

6.5 Utilities. After the Transition Period, Lessee will pay 100% of all use charges for public utilities services consumed in the Park, including but not limited to heating, cooling, illumination, power, water, sewer, and telecommunications (if any), restricted to the Lessee's Management and improvement of the Park, that are incurred after the Transition Period. Additionally, Lessee will pay for those utility infrastructure improvements or maintenance charges that are necessitated by Lessee's improvement of the Park pursuant to this Lease that are incurred after the Transition Period.

7. ASSIGNMENT AND SUBLETTING

7.1 Except as provided in paragraph 7.2 the Lessee must not assign this Lease or any rights hereunder, nor sublet the Leased Premises, or any part thereof, nor use, nor permit it to be used for any purposes inconsistent with this Lease without the prior written consent of the Lessor, which shall not be unreasonably withheld.

7.2 Lessee may enter into other agreements, including but not limited to subleases, licenses, permits, and contracts for any part of the Leased Premises for recreation related purposes consistent with paragraph 2.3.

8. NOTICES

Any notice which either Party may or is required to give under this Lease must be in writing and sent by USPS, postage prepaid, by first class mail, addressed as follows:

a) Notice to the Lessee:

Chief, Parks and Recreation Division
Michigan Department of Natural Resources
Stevens T. Mason Building
P.O. Box 30257
Lansing, MI 48909-7757

Director, Michigan Department of Transportation
425 W. Ottawa St. P.O.
Box 30050
Lansing, MI 48909

b) Notice to the Lessor:

Detroit Recreation Department

Attn: Department Director
18100 Meyers
Detroit, MI 48235

9. **GENERAL PROVISIONS**

9.1 **Waiver.** One or more waivers of the breach of any covenant or condition under this Lease, or failure by either party to give notice thereof, must not be construed as a waiver of a further breach of the same covenant or condition.

9.2 **Representations.** No agreement will be binding upon the Parties unless made in writing and signed by them. No representation except those written in this Lease, or any collateral agreement to the Lease will be binding upon the Parties unless they are in writing and approved by the Parties according to the amendment procedure in this Lease.

9.3 **Remedies Not Exclusive.** It is agreed that each of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other rights, remedies and benefits contained in this Lease, or of any other rights, remedies and benefits allowed by law.

9.4 **Successors and Assigns.** The covenants, conditions and agreements made and entered into by the Parties inure to the benefit of and are binding upon their respective successors, representatives and permitted assigns.

9.5 **Statutory Requirements.**

9.5.1 Both the Lessor and the Lessee will comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenant that they shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Lease, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of these requirements is a material breach of the Lease.

9.5.2 **Unfair Labor Practices.** The State may void this Lease, if the Lessor, or any of its contractors, subcontractors, manufacturers or suppliers appear in the register compiled pursuant to 1980 PA 278, as amended, MCL 423.321 *et seq.* (Employers Engaging in Unfair Labor Practices Act).

9.6 **Business Day.** Business day means any day other than a Saturday, Sunday, or State-recognized legal holiday from 8:00am through 5:00pm EST.

9.7 Appropriation of Funds. DNR's and MDOT's performance of obligations under this Lease is subject to the availability of appropriated funds.

9.8 Entire Agreement, Severability, and Required Approvals. All terms and conditions of this Lease are as set forth in this Lease. This Lease, with all enclosures and attachments, as listed below, constitutes the entire agreement of the Parties with regard to this transaction. Should any provision of this Lease or any addendum thereto be found to be illegal or otherwise unenforceable by a court of competent jurisdiction, such provision must be severed from the remainder of the Lease and all other terms and conditions of this Lease will continue in full force and effect. This Lease is not valid or authorized until approved by the Mayor of the City of Detroit, the Detroit City Council, and the Lessee.

9.9 Amendments. No amendment or extension of this Lease shall be effective and binding on the Parties unless it expressly makes reference to this Lease, is in writing and is signed and acknowledged by the duly authorized representatives of the Lessor and the Lessee, and approved by the Mayor of the City of Detroit and the Detroit City Council.

9.10 Memorandum of Lease. Upon final execution of this Lease, Lessee will record a Memorandum of Lease with the Wayne County Register of Deeds.

9.11 Governing Law. This Lease shall be interpreted in accordance with the laws of the State of Michigan.

9.12 Effective Date. This Lease is effective on the date it is approved by the Detroit City Council.

9.13 Counterparts. This Lease may be executed in any number of counterparts each of which shall be deemed an original agreement, but all of which together shall constitute but one Lease. Copies (whether facsimile, photostatic or otherwise) of signatures to this Lease will be deemed to be originals and may be relied on to the same extent as the originals.

9.14 List of Exhibits. The following Exhibits are attached to and made a part of this Lease:

- Exhibit A Legal Description
- Exhibit B Identification of Roads and Bridges
- Exhibit C Memorandum of Understanding between the City and MDOT
- Exhibit D Memorandum of Understanding between the City and DNR Regarding the Belle Isle Greenhouses
- Exhibit E Phased Management Approach of Belle Isle dated July 2012

IN WITNESS WHEREOF, the Lessor and the Lessee, by and through their duly authorized representatives, have executed this Lease as of the dates of their respective signatures:

SIGNATURE PAGES FOLLOW

THIS LEASE WAS CO-DRAFTED BY THE PARTIES.

LESSOR:

CITY OF DETROIT
by its Recreation Department

Witness:

1st Witness:
Print name of witness

Print name:
Title:

2nd Witness
Print name of witness

THIS CONTRACT WAS APPROVED
BY THE CITY COUNCIL ON

APPROVED BY THE LAW
DEPARTMENT PURSUANT TO § 6-406
OF THE CHAPTER OF THE CITY OF
DETROIT

Date

Purchasing Director Date

Corporation Counsel Date

THIS CONTRACT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY
RESOLUTION OF THE CITY COUNCIL AND SIGNED BY THE PURCHASING
DIRECTOR.

State of Michigan, County of Wayne

The foregoing instrument was acknowledged before me this ____ day of September, 2012, by

_____, the _____,
Typed or printed name(s) of person(s) signing this document

for the _____ of the City of Detroit, a Michigan

Municipal Corporation. _____, Notary Public in the County

Notary's signature
of _____, Acting in the County of _____, State of Michigan.

My commission expires: _____.

LESSEE:

STATE OF MICHIGAN
Department of Natural Resources

Witnesses:

1st Witness:
Print name of witness

Print Name:
Title:

2nd Witness:
Print name of witness:

State of Michigan, County of Ingham

The foregoing instrument was acknowledged before me this ____ day of September, 2012, by

_____, the Notary for the State of
Typed or printed name(s) of person(s) signing this document

Michigan Department of _____, Notary Public in the County
of _____, Acting in the County of _____, State of Michigan.

My commission expires: _____.

LESSEE:

STATE OF MICHIGAN
Department of Transportation

Witnesses:

1st Witness:
Print name of witness

Print Name:
Title:

2nd Witness:
Print name of witness:

State of Michigan, County of Ingham

The foregoing instrument was acknowledged before me this ____ day of September, 2012, by

_____, the Notary for the State of
Typed or printed name(s) of person(s) signing this document

Michigan Department of _____, Notary Public in the County
of _____, Acting in the County of _____, State of Michigan.

My commission expires: _____.

EXHIBIT A

LEGAL DESCRIPTION

Plat of the Southern Add'n to the Village of Belden, Wayne County, Mich., Bell Farm. Rec'd L. 1, P. 311 Plats, W.C.R.

A. Belkin - Harris & Stein Sub. of part of the SE 1/4 of Sec. 36, T. 1 S., R. 10 E., City of Detroit, Wayne Co., Mich. Rec'd L. 70, P. 52 of Plats, W.C.R.

"Bell Branch Sub." of the NE 1/4 of SE 1/4 of Sec. 17, T. 1 S., R. 10 E., Redford Twp. Wayne Co., Mich. Rec'd L. 39, P. 39 Plats, W.C.R.

Bell Creek Estates, part of the NW 1/4 of Section 14, T. 1 S., R. 9 E., Livonia Township, Wayne County, Michigan. Rec'd L. 67, P. 33 Plats, W.C.R.

Digby V. Bell's Subdivision of part of Out Lot 11, Mullett Farm, City of Detroit. Rec'd L. 7, P. 99 Plats, W.C.R.

"Bell Realty Co's Log Cabin Park" being a Subdivision of part of the West 1/2 of the Northwest 1/4 of Section 4, T. 1 S., R. 12 E., Hamtramck Twp., Wayne Co., Michigan. Rec'd L. 41, P. 93 Plats, W.C.R.

"Bell Ridge Subdivision" of part of the S 1/2 of the SW 1/4 of Section 1, T. 1 S., R. 12 E., Gratiot Twp., Wayne Co., Michigan. Rec'd L. 46, P. 37 Plats, W.C.R.

Harry A. Bell Ferndale Gardens Subn. of Lot 4 and part of Lot 5 of Plat of Lot 9 of the Shipyard Tract, City of Detroit, Wayne County Michigan. Rec'd L. 41, P. 31 Plats, W.C.R.

Bellaire's Subdivision of Lot H of the Sub. of the Joseph Viszor Estate of part of P. C. 525, City of River Rouge, Wayne Co., Mich. Rec'd L. 46, P. 24 Plats, W.C.R.

"Joseph Bellaire's Lot H" of the Subdivision of the Estate of Joseph Viszor, deceased. Rec'd L. 21, P. 84 Plats, W.C.R.

Map of Belle Isle (Hog Island called) Rec'd L. 1, P. 168 Plats, W.C.R.

Belle Isle Park View Sub. part of west half of P. C. 387 south of Jefferson Ave Detroit, Wayne Co., Mich. Rec'd L. 26, P. 56 Plats, W.C.R.

"Belmont" a sub. of Lot I of the Sub. of the Estate of Toussaint Drouillard, Sr., on Fract. Sec. 19 and part of the East 1/2 of Fract. Sec. 19, T. 3 S., R. 11 E., Twp. of Ecorse, County of Wayne, State of Michigan. Rec'd L. 43, P. 12 Plats, W.C.R. 26

"Belmont Park Subdivision of E 1/2 of SE 1/4 of SE 1/4 of Section 9, T. 2 S., R. 10 E., Dearborn Township, Wayne County Mich. Rec'd L. 50, P. 31 Plats, W.C.R.

"Belmont Park Subdivision No. 1" of W 1/2 of SE 1/4 of SE 1/4 of Section 9, T. 2 S., R. 10 E., Dearborn Township, Wayne County, Mich. Rec'd L. 51, P. 90 Plats, W.C.R.

"Belmont Park Subdivision No. 2" of NE 1/4 of NE 1/4 of Fract'l Sec. 16, T. 2 S., R. 10 E., Dearborn Township, Wayne County, Mich. Rec'd L. 52, P. 21 Plats, W.C.R.

Belt Line Subdivision of the Northerly part of P. C. 573, known as L. Chapoton Farm, & the northwesterly part of P. C. 672, Hamtramck, Wayne Co., Michigan. Rec'd L. 12, P. 62 Plats, W.C.R.

Bendelow's Sub. of the S. 6 acres of Lot 2, Massmore Est. on Frac. Sec. 1, T. 2 S., R. 11 E., and Frac. Sec. 36, T. 1 S., R. 11 E., Detroit, Wayne Co., Mich. Rec'd L. 27, P. 66 Plats, W.C.R.

Bonham Manufacturing Co's Subdivision of Lots 1-2-3-4 & 5 and Vacated alley of H. L. Baker's Subn. of Lots 16, 17, 18, 19 and west half of 20 of the Subn. of the North half Section 28 and the Northeast Fraction of Section 29, T. 1 S., R. 12 E., Hamtramck, Wayne County, Michigan. Rec'd L. 28, P. 81 Plats, W.C.R.

Beniteau's Subdivision of Lot 4 of the Subn. of the St. Jean Farm, P. C. 26, Grosse Pointe, Wayne Co., Mich. Rec'd L. 7, P. 59 Plats, W.C.R.

Beniteau's Sub. of the North 693 feet of that portion of P. C. 724 lying South of Jefferson Ave., Grosse Pointe, Wayne Co. Mich. Rec'd L. 10, P. 63 Plats, W.C.R.

"G. F. Bennett's Boulevard Park Subdivision" of part of the SW 1/4 of Frl. Sec. 20, T. 3 S., R. 11 E., Ecorse Twp., Wayne Co., Michigan Rec'd L. 46, P. 97 Plats, W.C.R.

G. F. Bennett's Boulevard Park Sub. No. 1 of part of Lots 3, 4 and 5 of Debo's Sub. and Lots 8 and 9 and part of Lots 7 and 10 of George Clark Estate Sub. all in Frl. Sec. 20, T. 3 S., R. 11 E. City of Wyandotte, Wayne Co., Mich. Rec'd L. 66, P. 67 Plats, W.C.R.

"G. F. Bennett's Detroit River View Sub." of part of the SW 1/4 of Sec. 18, T. 4 S., R. 11 E., Nonquagon Twp., Wayne Co., Mich Rec'd L. 40, P. 19 Plats, W.C.R.

EXHIBIT B

June 15, 2012

ROADWAY SEGMENTS proposed for Transfer from the City of Detroit to MDOT, to become state trunkline:

Grand Boulevard/Douglas MacArthur Bridge, from the centerline of Jefferson Avenue south to the centerline of Sunset Drive/Riverbank Road, a distance of 0.56 miles.

Sunset Drive, from the centerline of Riverbank Road/Douglas MacArthur Bridge southwestly to the centerline of Strand Street, a distance of 0.63 miles.

The Strand Street, from the centerline of Sunset Drive easterly to the centerline of Lakeside Street, a distance of 2.32 miles.

Lakeside Street, from the centerline of The Strand Street north to the centerline of Riverbank Road/Oakway Drive, a distance of 0.50 miles.

Riverbank Road from the centerline of Lakeside Street/Oakway Drive westerly to the centerline of Sunset Drive/Douglas MacArthur Bridge, a distance of 2.05 miles.

Central Way, from the centerline of Casino Way east to the centerline of Lakeside Street, a distance of 1.94 miles.

Shadownook Street, from the centerline of Central Way east to the centerline of Central Way, a distance of 0.15 miles.

Casino Way, from the centerline of The Strand Street north to the centerline of Sunset Drive, a distance of 0.42 miles.

Inselruhe Street, from the centerline of The Strand Street north to the centerline of Riverbank Road, a distance of 0.40 miles.

Vista Drive, from the centerline of Central Way north to the centerline of Riverbank Rd, a distance of 0.05 miles, and from the centerline of Loiter Way south to the centerline of The Strand Street, a distance of 0.36 miles.

Fountain Way, from the centerline of The Strand Street north to the centerline of Sunset Drive, a distance of 0.29 miles.

Fountain Way, from the centerline of Fountain Way east to the centerline of Casino Way, a

EXHIBIT B

distance of 0.13 miles.

Pleasure Drive, from the centerline of Sunset Drive west to its terminus, a distance of 0.11 miles.

Muse Street, from the centerline of Loiter Way north to Central Way, a distance of 0.12 miles.

Loiter Way, from the centerline of Muse Street east to the centerline of Vista Drive, a distance of 0.81 miles.

Picnic Way, from the centerline of The Strand Street, north to the centerline of Loiter Way, a distance of 0.13 miles and from the centerline of Loiter Way north to the centerline of Riverbank Road, a distance of 0.35 miles.

Nashua Drive, from the centerline of The Strand Street north to its terminus, a distance of 0.14 miles.

Recreation Field Drive, from the centerline of Vista Drive west to its terminus, a distance of 0.06 miles.

Woodside Drive, from the centerline of Lakeside Street west to the centerline of The Strand Street, a distance of 0.63 miles.

Oakway Drive, from the centerline of Riverbank Road east to the centerline of Riverbank Road, a distance of 0.86 miles.

Power Station Drive, from the centerline of Riverbank Road north to its terminus, a distance of 0.09 miles.

Michigan Department of Transportation
June 15, 2012

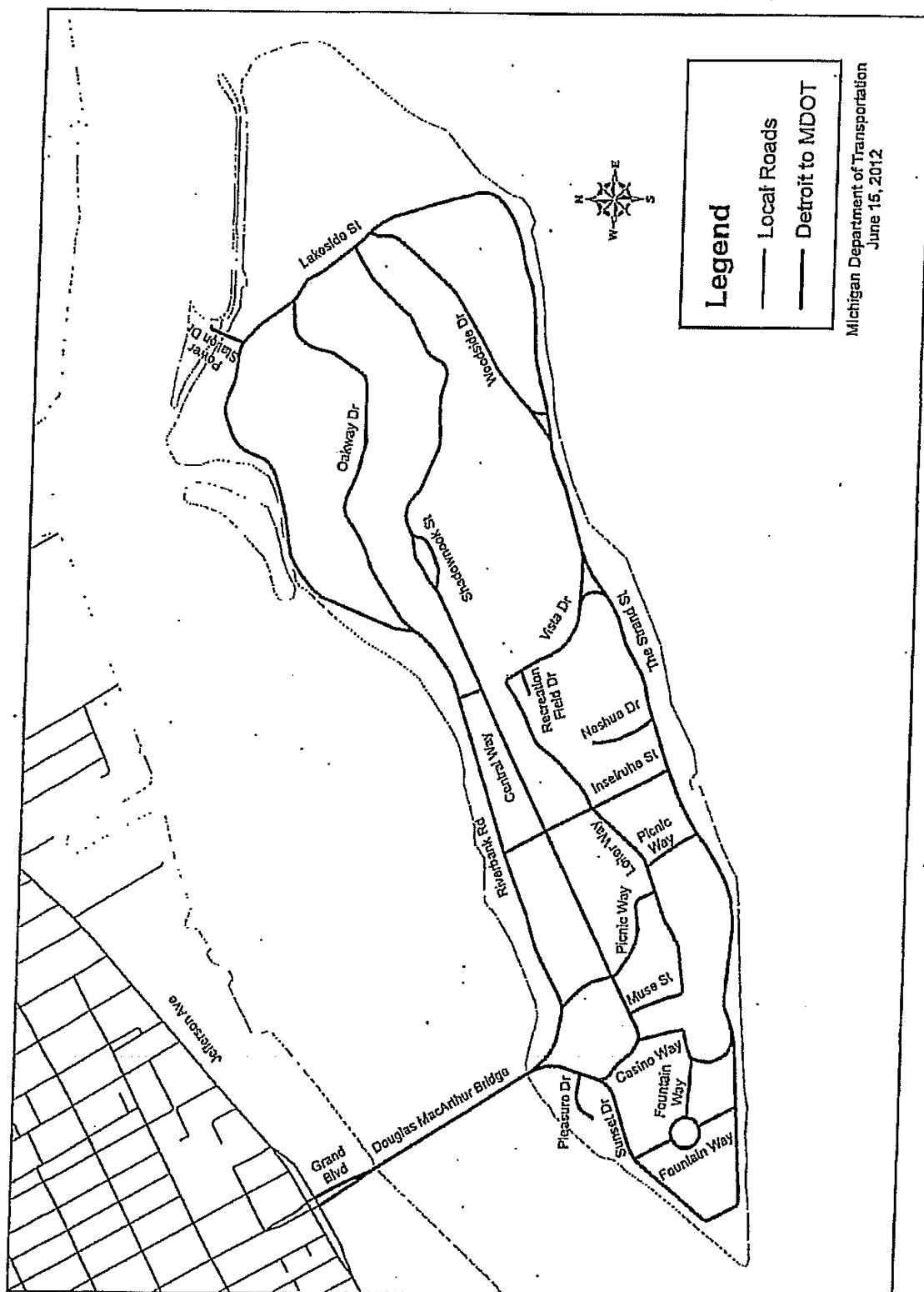
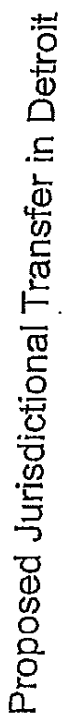


EXHIBIT C

MDOT NO. 2012-0000

AGENDA: CAB

MEMORANDUM OF UNDERSTANDING

BETWEEN

MICHIGAN DEPARTMENT OF TRANSPORTATION

AND

THE CITY OF DETROIT

I. PURPOSE

This Memorandum of Understanding is entered into this date of _____ between the Michigan Department of Transportation (MDOT) and the City of Detroit (CITY) for the purpose of transferring jurisdiction of the road segments described in Attachment A, said road segments hereinafter referred to as the ROAD SEGMENTS. This Memorandum of Understanding will begin upon award and will remain in effect until the expiration of the Lease between the City of Detroit and the State of Michigan regarding Belle Isle Park, dated _____.

II. BACKGROUND

The ROAD SEGMENTS are within the CITY boundaries. The ROAD SEGMENTS will function in the capacity of a State Trunkline. The ROAD SEGMENTS will provide access to the Belle Isle Park. MDOT is willing to accept jurisdictional control of the ROAD SEGMENTS from the CITY, and the CITY is willing to transfer jurisdiction of the ROAD SEGMENTS. This transfer of jurisdictional control of the ROAD SEGMENTS will make these roadways State Trunkline.

EXHIBIT C

III. AGREEMENT

Upon award and acceptance of this Memorandum of Understanding by both parties, the parties agree to the following:

A. MDOT:

1. Agrees to assume full jurisdiction for the ROAD SEGMENTS, thereby making this roadway State Trunkline.
2. Agrees to perform maintenance of the ROAD SEGMENTS, for which jurisdictional control has been transferred to MDOT by this Memorandum of Understanding.

B. The CITY:

1. Agrees to transfer jurisdictional control of the ROAD SEGMENTS to MDOT, and MDOT agrees to accept jurisdictional control of the road segments, thereby making this roadway State Trunkline.

- C. Unless otherwise addressed by this Memorandum of Understanding, both parties agree that the transfer of jurisdictional control of the ROAD SEGMENTS, from the CITY to MDOT, will include the transfer of: utility, operational, and drainage permits, whether recorded or otherwise; all bridges, culverts, signs, signals or other structures or traffic control devices; and any and all features and appurtenances now existing for highway purposes on and along the ROAD SEGMENTS.

IV. TERM

This Memorandum of Understanding shall take effect upon award and remain in effect until the expiration of the Lease between the City of Detroit and the State of Michigan regarding Belle Isle Park, dated _____.

V. MODIFICATION

This Memorandum of Understanding may be modified, in writing, upon mutual agreement by the parties. Any modification must be signed by the authorized representative of each agency or his/her designee.

EXHIBIT C

VI. SIGNATURE

This Memorandum of Understanding is entered into upon signing by the duly authorized officials for the CITY and for MDOT.

CITY OF DETROIT

Title:

Date

MICHIGAN DEPARTMENT OF TRANSPORTATION

Title: Director
Michigan Department of Transportation

Date

EXHIBIT D

**MEMORANDUM OF UNDERSTANDING
FOR THE BELLE ISLE PARK GREENHOUSES
(Per Article 2.1 of the Belle Isle Park Lease)**

WHEREAS, the City of Detroit and the State of Michigan are entering into a long term lease agreement for the management of Belle Isle Park, and

WHEREAS, the City of Detroit has an existing and future need to retain the operation and maintenance of the greenhouses that exist on the Island.

NOW THEREFORE, as provided in Article 2.1 of the Belle Isle Park Lease, the greenhouses identified as area # 16, depicted on Page 28 of the Belle Isle Master Plan, entitled, "Existing Buildings, Monuments, Shelters and Comfort Stations" are excluded from the Leased Premises, and shall remain under the control, management and full responsibility of the City of Detroit.

The State of Michigan and the City agree that they will work cooperatively to mutually accommodate the City's operation and maintenance of the greenhouses and the State's operation and maintenance of Belle Isle Park..

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES

CITY OF DETROIT

Date: _____

Date: _____



EXHIBIT E.

- DRAFT - Phased Management Approach of Belle Isle by the Department of Natural Resources July 2012

Management Goals & Desired Outcomes

- Create a clean and safe environment
- Restore the expectation of the Belle Isle experience
- Unify stakeholders and supporters
- Preserve the rich history of the island
- Enhance recreational opportunities
- Protect the natural resources
- Address immediate needs
- Implement sustainable contraction of infrastructure
- Establish a sustained model of resources for long-term management of the island
- Expand youth employment opportunities in the fields of natural resources, environmental protection and agriculture

Aligning Action Items with Survey Results

In the summer and fall months of 2010, two separate surveys were carried out by the Belle Isle Conservancy which included park users (onsite) and remote individuals and organizational supporters (remote); 2,237 surveys were collected. The surveys identified the following:

<u>High Priority Improvement Responses</u>	<u>Onsite (# and % of respondents)</u>		<u>Remote (# and % of respondents)</u>	
Re-open the Aquarium	256	38%	1107	71%
Re-open the canals for canoeing/kayaking	184	27%	896	57%
Re-open the Boat Club for public use	185	27%	728	47%

<u>Not Enough Amenities Responses</u>	<u>Onsite</u>	<u>Remote</u>
Places to buy food	82%	66%
Drinking Fountains	74%	60%
Restrooms	59%	58%
Things to Do	52%	40%
Benches	51%	50%
Park Security	37%	61%
Waste Receptacles	50%	59%

<u>Common / Popular Park Activities Responses</u>	<u>Onsite</u>	<u>Remote</u>
Picnic	39.1%	68.1%
Exercise	31.1%	55.4%
Stroll/walk	29.0%	61.3%
Socialize	23.2%	45.3%

EXHIBIT E.

Nearly 30% of the survey respondents indicated they would like to receive information about getting involved and volunteering at Belle Isle. Aligning the Department's planning processes and action items with the survey responses is a critical aspect in order to maximize resources and unify the stakeholders and supporters of Belle Isle.

Initial Phase Planning Processes & Action Items –

(One to two months after the agreement is signed)

Planning Processes:

- Coordinate with law enforcement (City, Coast Guard, Homeland Security, Border Patrol, State Police & Conservation Officers) on a security plan
- Meet with newly created Belle Isle Advisory Group, Belle Isle Conservancy and other vested stakeholder groups
- Meet with other state agencies (DEQ, DOC, DOT, etc) and DNR Divisions on current and potential projects / funding
- Evaluate all contracts, leases & concessions
- Continue updating previous infrastructure assessment information to prioritize critical needs

Action Items:

- Extend Riverfront contracts for trash removal and mowing
- Establish a visible staffing and visitor services presence
- Clean up trash / debris and provide adequate receptacles
- Remove debris in public spaces and organize maintenance areas

Short Range Phase Planning Processes & Action Items –

(Three to five months after the agreement is signed)

Planning Processes:

- Assess staffing levels and equipment needs for primary use season; develop annual operational budget
- Coordinate volunteer activities with newly created Belle Isle Advisory Group, Belle Isle Conservancy and other vested stakeholder groups
- Evaluate the locations and relationships between picnic shelters, restroom buildings, parking and drinking fountains
- Develop a comprehensive marketing and outreach plan
- Establish a sponsor / partner "adoption" program
- Coordinate with DDOT to re-establish a bus route to Belle Isle
- Establish recreational programming such as Metro Youth Fitness and expand other interpretive programs through the Nature Center

Action Items:

- Interview and hire permanent staff

EXHIBIT E.

- Retrofit buildings like the Casino, Athletic Shelter / Refectory and Flynn Memorial Pavilion with energy efficiency updates (windows, insulation, photo sensors, timers, etc)
- Renovate and rehabilitate picnic shelters such as the Newsboy, Schiller, Pony Area and Fishing Pier as well as comfort stations such as Graystone, Woodside and at the Golf Course
- Establish a new endowment for long-term sustainable funding
- Establish a restricted fund to receive event and use permit revenues
- Create a gift guide for sponsors and donors
- Develop a reservation system for shelters and grounds for events during primary use season

Intermediate Phase Planning Processes & Action Items – (Six months to one year after the agreement is signed)

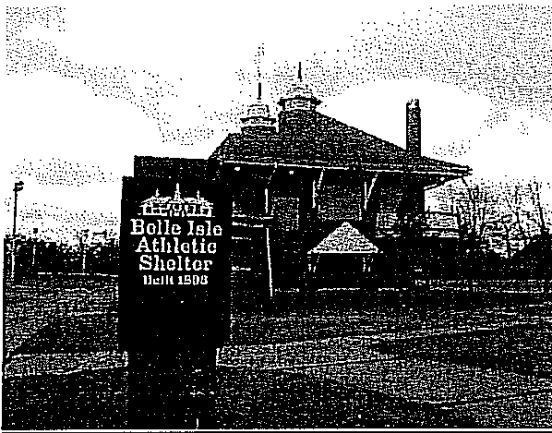
Planning Processes:

- Coordinate volunteer activities with Belle Isle Conservancy and other vested stakeholder groups
- Meet with the State Building Authority on a bond option for addressing major building and park improvements to be repaid once the Recreation Passport becomes effective
- Assess shoreline erosion and identify critical areas for soft shoreline stabilization
- Seek grants such as Coastal Zone Management, Great Lakes Fisheries Trust and the Great Lakes Restoration Initiative to conduct an hydrologic study of the lakes and canals to convert back to a naturalized system (remove pumps)
- Begin discussions with the Michigan College Foundation and Youth Connections on a natural resources institute program and youth employment

Action Items:

- Clean catch basins and provide curb cuts for increased drainage
- Construct and improve way-finding and overall signage
- Provide a contact station or informational kiosk at primary park entrance for immediate park and program information
- Meet with MDOT on the conversion of internal road segments through wooded wetlands into multi-use trails and a two-way traffic concept
- Enhance fishing opportunities at existing structures
- Coordinate invasive plant (i.e. phragmites) species volunteer days
- Repair and expand picnic tables for primary use season
- Implement mowing reductions and the "Grow not Mow" program to educate visitors, reduce operational costs, create habitat and combat Canadian geese

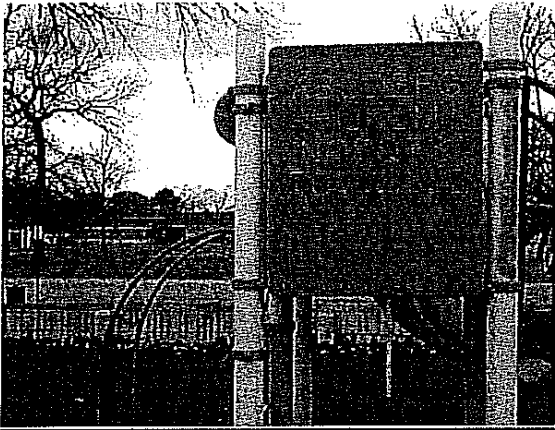
Appendix – Photo Examples of Action Items



Provide Energy Efficiency Retrofits like Photo Sensors & Timers (exterior lights left on)



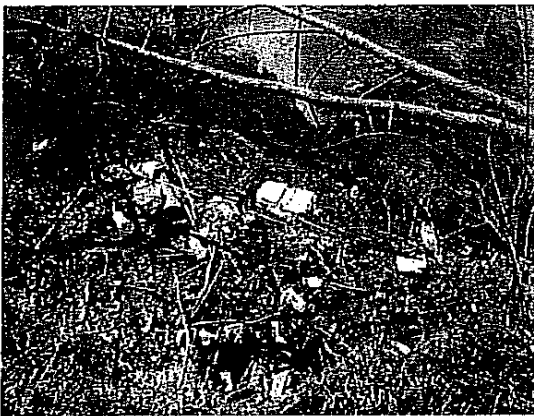
Coordinate with Belle Isle Conservancy & Stakeholders



Clean Up Existing Graffiti & Provide a Place for Street Art (4 letter word spray painted)



Clean Up & Organize Staff Areas

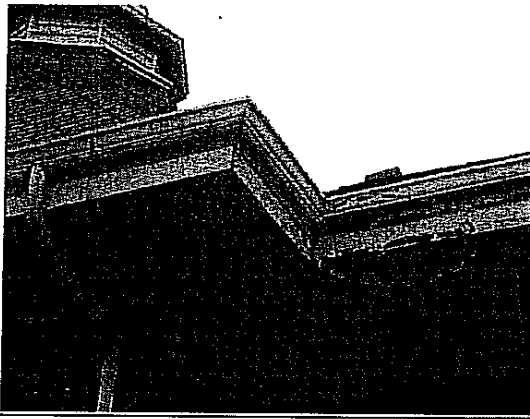


Clean Up Trash / Debris & Provide Adequate Receptacles & Recycling. Enlist Department of Corrections Crews to Perform Labor Intensive Work Such as Ravine Litter Pickup.



Road & Parking Drainage Issues – Clean Catch Basins & Provide Curb Cuts for Natural Drainage

EXHIBIT E.



Prioritize Structural Repairs like Roofs, Foundations & Exterior Walls



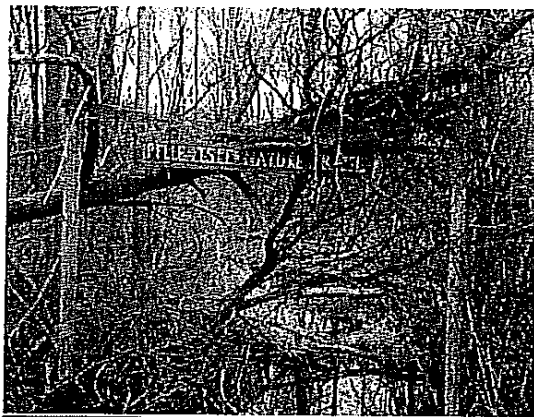
Address Picnic Shelters & Historical Structures with Maintenance Schedules & Repairs



Allow / Expand Picnicking in Popular Area



Address Erosion by Reducing Mowing Practices & Creating Soft Shorelines



Address Trail & Signage Maintenance



Implement a "Grow not Mow" Program to Educate Visitors, Reduce Operational Costs, Create Habitat and Combat Canada Geese